



City of Santa Clara City Council Meeting

Item # 6: RTC 24-591

Initial Grant Funding
Agreement with Forty Niners
SC Stadium Company LLC

June 4, 2024



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Background

POST MEETING MATERIAL



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Naming Rights Agreement

- On May 9, 2013, Santa Clara Stadium Authority (Stadium Authority) and Levi Strauss & Co. (Levi's) signed a 20-year Naming Rights Agreement
- Levi's pays an annual fee for exclusive naming rights and branding at the Stadium



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Naming Rights Agreement (cont.)

- On January 30, 2024, the parties agreed to extend the Naming Rights Agreement for an additional 10 years through a First Amendment
- Extension is expected to bring in an additional **\$119M in revenue** over the course of the extension
- Extension requires new signage by December 31, 2025





Implementation Agreement

- Concurrently, the Stadium Authority and Forty Niners SC Stadium Company LLC (StadCo) StadCo entered into the Levi's® Stadium Naming Rights Extension and Enhanced Signage Project Implementation Agreement (“Implementation Agreement”)
- Addresses cost-sharing for design, construction, and installation of Enhanced Signage Project, and formalizes **StadCo’s commitment to donate \$200,000 annually for 20 years**
- Funds allocated to support non-profit organizations and community projects in Santa Clara



Types of Agreements

Already Executed

- Naming Rights Agreement
- Naming Rights Agreement – First Amendment
 - Parties: Stadium Authority, Levi’s
- Implementation Agreement
 - Parties: Stadium Authority, StadCo

Today’s Action

- **Initial Grants Funding Agreement (Year 1-3)**
 - Parties: City, StadCo

Pending

- Individual Grant Agreements (Yrs. 1-3)
 - Parties: City and Beneficiary
- Future Community Grant Funding Agreement (Yrs. 4-20)
 - Parties: City and StadCo
- Future Individual Grant Agreements (Yrs. 4-20)
 - Parties: City and Beneficiary



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Initial Grant Funding Agreement



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Initial Grant Funding Agreement

- Aimed to benefit non-profit organizations and projects in Santa Clara
- Allocates \$200,000 annually for Years 1-3
- Establishes key terms for Years 1-3 of StadCo's commitment to provide \$200,000 annually for 20 years,
- Process outlined to develop program for subsequent years, Yrs. 4-20, during StadCo's 20-year commitment term, through a future Community Grant Funding Agreement



Initial Grant Funding Agreement (cont.)

- StadCo is required to provide the \$200k annually through 2044 by the Implementation Agreement
- Funds allocated through StadCo's related companies or charitable affiliates
- Initial Funding Agreement differs from original January 30, 2024 agenda item
 - ➔ *The Initial Funding Agreement and budget amendments required to implement the Agreement are being presented to Council for its consideration and approval*



Initial Grant Distribution: Years 1-3

Year timeframe: April 1-March 31

Year 1 (24/25)		Year 2 (25/26)		Year 3 (26/27)	
Santa Clara Swim Club	\$100k	Santa Clara Swim Club	\$100k	Santa Clara Swim Club	\$100k
Bill Wilson Center	\$50k	Santa Clara Beneficiary (TBD)	\$50k	Santa Clara Beneficiary (TBD)	\$50k
City Community Grants	\$50k	City Community Grants	\$50k	City Community Grants	\$50k



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Santa Clara Swim Club

- Founded in 1951, by legendary coach George Haines
- Part of USA Swimming, recognized globally as a premier training center
- Produced more International Swimming Hall of Fame swimmers than any other club



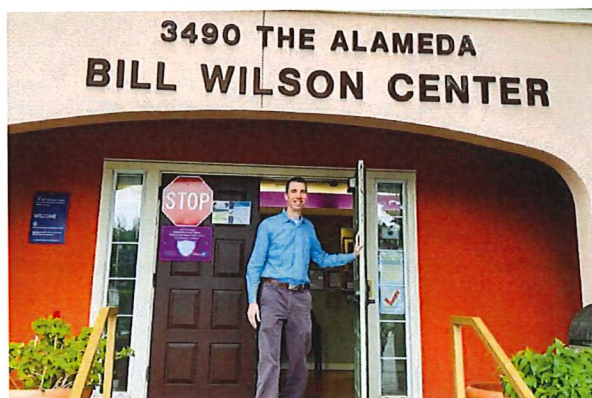
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Bill Wilson Center

- Nonprofit founded in 1973 by Bill Wilson, Santa Clara councilman and mayor from 1963-1971
- Provides services to children, young adults, and families through their housing, education, counseling, and advocacy programs





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Qualified Santa Clara Beneficiary (TBD)

- City distributes funds designated for "Qualified Santa Clara Beneficiary To Be Determined"
- As selected by StadCo or its designee, following **consultations and approval from City staff**



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City's Community Grant Program

- Grants are provided to qualifying nonprofit community organizations, athletic groups, educational groups, or individuals for events, activities, and competitions benefiting Santa Clara and its residents.
- Initial Grant Funding Agreement requires City Community Grant beneficiaries to be selected by City staff after consultations with StadCo, following City's Community Grants Program guidelines.



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City's Community Grant Program

(cont.)

- Proposed amendments to the Community Grant Policy will be presented at the June 3, 2024 Governance and Ethics Committee meeting.
- Amendments will detail grant focus areas, expand and clarify permissible uses of grant funds, among other provisions.
- Any recommended changes to the Community Grant Policy will be brought forward to the full Council for approval.



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Future Grant Funding Agreements

- **Initial Grant Funding Agreement mandates City and StadCo to meet and confer before April 1, 2026**, to develop a Community Grant Funding Agreement for Years 4-20
- Efforts will be made to finalize the agreement for at least Year 4 by October 31, 2026, to select Year 4 beneficiaries; subsequent funding agreements will be presented to the City Council
- Grants for Years 4-20 will be distributed according to Future Grant Funding Agreements between the City and StadCo



Fiscal Impact



Fiscal Impact: Yrs. 1-3

- City will be responsible for distributing funds to the beneficiaries and through the Community Grant Program for Years 1-3**

➔ *Recommended budget amendments for FY 2023/24*

General Fund	Current	Increase	Revised
Revenue			
> Other Revenue	\$183.6k	\$200k	\$383.6k
Expenditure			
> Non-Departmental: Community Grants Program	\$94.2k	\$200k	\$294.2k

**Year 1 grants may not be disbursed before the end of the City's fiscal year (6/30/24). If this occurs, Staff will bring to Council additional budget amendments to carryover the Year 1 grant appropriations.



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Staff Recommendation



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Staff Recommendation

- Authorize City Manager to enter into an Initial Grant Funding Agreement with Forty Niners SC Stadium Company LLC (StadCo) to provide for:
 - The distribution of \$200,000 annually over three years (Years 1-3) to non-profit organizations and community projects serving the Santa Clara community, as further described in the report and agreement
 - A process to develop a program, to be formalized through subsequent funding agreement(s) with StadCo, for the remaining grant distribution, in the amount of \$200,000 annually for the subsequent years during StadCo's 20-year commitment term, in a final form approved by the City Attorney



Staff Recommendation (cont.)

- Approve the FY 2023/24 budget amendments in the General Fund to recognize other revenue in the amount of \$200,000 and increase the Non-Departmental Community Grants Program allocation in the amount of \$200,000 (*five affirmative Council votes required to appropriate additional revenue*)